DOCUMENT RESUME

ED 477 176 EA 032 091

AUTHOR	Moe, Terry M.
TITLE	Politics, Control, and the Future of School Accountability.
REPORT NO	PEPG/02-14
PUB DATE	2002-06-00
NOTE	29p.; Paper presented at the Conference on Taking Account of Accountability, Kennedy School of Government, Harvard University (Cambridge, MA, June 10-11, 2002).
PUB TYPE	Opinion Papers (120) -- Speeches/Meeting Papers (150)
EDRS PRICE	EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS	*Accountability; Administrator Attitudes; Conflict of Interest; Educational Policy; Elementary Secondary Education; *Political Attitudes; *Resistance to Change; School Policy

ABSTRACT

This paper examines the forces that affect school accountability. It presents the discussion in the context of the classic agency model, which is built around a principal-agent relationship. In these types of relationships, a principal attains certain goals through an agent, who acts on her behalf. Although ubiquitous in society, these kinds of arrangements can sometimes lead to tension between the agent and the principal, as each finds her interests to be at loggerheads. Such difficulties lie at the root of the two fundamental problems that undercut accountability in schools: the control problem and the political problem. The control problem arises because school employees (the agents) have their own interests distinct from those of the authorities (the principals and school boards). The agents have power because they have information that the authorities do not have, giving the former the incentive and the capacity to resist top-down efforts to hold them accountable. The political problem arises because the authorities are elected officials who are responsive to the political power of school employees, and thus have incentive to ignore true accountability. If school accountability is to succeed, reformers need to break from top-down methods of control and recognize that a combination of top-down and bottom-up approaches is more likely to yield results. (Contains 46 references.) (RJM)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 477 176

Politics, Control, and the Future of School Accountability

Terry M. Moe
Department of Political Science
Stanford University
and
Hoover Institution

PEPG/02-14

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
✓ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

T. MOE

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Preliminary Draft: Please do not cite without permission

EA 032 091

For Presentation at the Conference on Taking Account of Accountability, Kennedy School of Government, Harvard University, June 10-11, 2002.

BEST COPY AVAILABLE

Terry M. Moe
Stanford University
June, 2002

Politics, Control, and the Future of School Accountability

Over the last ten years or so, the movement for school accountability has taken the nation by storm. Its message is a simple one. The public schools should have strong academic standards. There should be tests to determine what students are learning. And students, as well as the adults responsible for teaching them, should be held accountable for meeting the standards--with appropriate consequences attached to their performance.

This message is an easy sell, especially during a time when improving the public schools is a national priority. Who wouldn't agree that a school system whose prime goal is to educate students should actually be expected to do it, and that mechanisms should be put in place to ensure that these expectations are borne out? There can be little surprise, then, that reformers pressing for school accountability have found a receptive audience in the American public. And little surprise, as well, that policymakers have fallen all over themselves to endorse accountability as a key means of promoting better schools and academic achievement.

In state after state, governments have imposed new curriculum standards, new tests aligned to the standards, new requirements for promotion and graduation, new rules for ranking schools and publicizing test scores, and new systems of rewards and sanctions. And the action isn't just at the state level. While the federal government has traditionally played second fiddle to the states on matters of education, President Clinton seized on the accountability issue in framing a federal agenda for better schools through the Goals 2000 program, national standards, and national teacher certification. And President Bush, a Republican not otherwise given to federal intervention, followed up by making his "No Child Left Behind" legislation a centerpiece of his domestic program--imposing, for the first time, a national accountability system of annual testing and performance-based rewards and sanctions (Ravitch, 2002a, 2002b; Education Week, 2002; Rudalevige, 2002).

Accountability is clearly an issue with legs. But can it take us where we want to go? The presumption of the accountability movement, of course, is that it can. But this is really just a presumption backed by common sense, which is a thin reed on which to hang billions of dollars worth of reforms, not to mention the nation's educational future.

So what should we expect from governmental efforts to hold the public school system accountable for its performance? The issue is obviously complex, and I don't pretend to have all the answers. But I do think that there is much to be gained by looking beyond the complexities (or at least not getting bogged down or distracted by them) and focusing on simple fundamentals. Two, in my view, are particularly important. The first is that school accountability is an exercise in top-down control. The second is that it is a product of democratic politics. I believe it is mainly by exploring these two basic dimensions of the issue, and by recognizing the distinctive problems entailed by each, that we can learn what to expect from school accountability. And whether it can take us where we want to go.

The Problem of Control

The modern movement for school accountability is essentially a movement for more effective top-down control of the schools. The idea is that, if state and federal authorities want to promote student achievement, they need to adopt a variety of organizational control mechanisms--tests, school report cards, rewards and sanctions, and the like--designed to get district officials, principals, teachers, and students to change their behavior in productive ways.

As a general matter, there is nothing unusual about this. Virtually all organizations, whether public or private, are continually faced with the need to exercise top-down control, because the people at the top have goals they want the people at the bottom to pursue, and something has to be done to bring about the desired behaviors. The public school system is just like other organizations in this respect, and top-down control is routinely exercised with respect to all manner of educational policies, programs, and directives day in and day out. The only thing different about today's accountability movement is that the political authorities are putting the emphasis on student achievement--which they hadn't done before--and on control mechanisms specifically designed to bring it about.

Principals, Agents, and the Logic of Control

When political scientists and economists think about issues of control, they usually rely on economic theories of organization, ranging from agency theory to transaction cost economics to information economics to the economics of personnel. This body of work, which contains basic building blocks of the new institutionalism in both fields, has grown tremendously over the last two decades and had a major influence on the way scholars in both disciplines understand the structure and performance of institutions (Williamson, 2000; Gibbons, 1998; Prendergast, 1999; Weingast, 1996; Moe, 1997). Much of the literature is quite technical and specialized. But its basic ideas are pretty simple, having to do mainly with incentives and information, and they offer useful guidance in thinking about school accountability.

For heuristic purposes, I'll frame my discussion with reference to the classic agency model. This model is built around a principal-agent relationship, in which a principal who wants to attain certain goals hires an agent to act on his behalf. This kind of relationship is ubiquitous throughout society. People hire doctors to treat their health problems and mechanics to fix their cars. Employers hire workers to manufacture their products. Boards of directors hire management teams to run their companies. Legislatures hire public bureaucracies to carry out governmental programs. States hire administrators and teachers to educate children (Pratt and Zeckhauser, 1985).

As these examples suggest, principal-agent relationships are common because they are beneficial and necessary. Principals of all kinds lack the time or capacity to do everything for themselves. And often their agents have expertise and experience that enable them to do a far better job of pursuing the principals' goals than the principals themselves could do.

There is also a downside to these relationships, however, owing to two very basic problems. The first is that the agent inevitably has his own interests--in income, career, leisure, family, ideology, policy, or whatever--that tug him in other directions, and that give him incentives not to pursue the principal's goals with the kind of efficiency and single-minded

dedication the principal would like. The second is that the agent tends to have information that the principal does not have. The latter stands to be poorly informed, for instance, about what the agent actually does or achieves in the performance of his job, because many of his actions may not be observable with much precision (if at all). Moreover, the principal may have a hard time observing what type of agent he is dealing with--low ability or high ability, lazy or hard working, trustworthy or not--and can't readily determine whom to contract with and depend upon.[1]

Needless to say, these information asymmetries put the principal at a disadvantage. It is not just that he doesn't know certain things about the agent's type or behavior, which is bad enough. It is also that the agent does know these things and can use this private information to strategic advantage--allowing him (if he wants) to slack off in pursuit of the principals's goals and substitute his own interests for the principal's in the performance of his job, all the while giving the appearance of being a good agent.

This sets up the basic control problem. What can the principal do, given the problems inherent in their relationship, to get the agent to work as efficiently as possible toward the right goals? The precise solution, not surprisingly, can vary depending on the circumstances. But it generally involves

-- the measurement of agent performance.

-- the use of screening and signaling devices, along with well designed compensation schemes, to help reveal information about agent type, thus enabling the principal to hire and keep the right types of people and to avoid and weed out the wrong types.

-- the design of compensation schemes, usually involving pay for performance, that bring the agent's interests into alignment with the principal's and give him incentives to be productive.

In the real world of government and business, these organizational control mechanisms won't work perfectly, and there may be a great deal of slippage between what superiors want to achieve and what agents actually do. Indeed, even if the mechanisms are reasonably effective, the simple fact that they are costly to design and enforce means that superiors will have incentives to use them only up to the point where the costs of doing so begin to outweigh the benefits of compliance, allowing some and perhaps great deal of noncompliant behavior to continue unabated. At some point, noncompliance literally becomes too expensive to deal with.

In short, then, while there are clearly things the principal can do to get agents to work productively on his behalf, control is imperfect and noncompliance is to be expected. The fact is, his agents have interests that are different from his, they have critical information that he doesn't have--and there is only so much he can do to overcome these underlying problems.

School Accountability as a Control Problem

Now let's put this framework to use in gaining perspective on school accountability. State and federal authorities are the principals, whose stated goal is to promote student achievement and the quality of the public schools. Their agents are the school administrators and teachers who actually do the educating at the local level. Students might be considered agents too, but I want to focus here on the people who run the schools.

What motivates these people? The answer varies from person to person, of course, but it is a sure bet that teachers and other school personnel--however much they care about "the kids,"

---

[1] Here and below, I am simply elaborating the basic logic of the principal-agent model. For an introduction and overview, see Pratt and Zeckhauser (1985), Bendor (1988), Gibbon (1998), and Prendergast (1999).

and however public spirited they may be--have value structures that reach well beyond the ideals and goals of the public school system. Like other employees throughout the economy, they surely care about their own incomes and careers, about security, about leisure, about family and friends, about professional norms, and a host of other things. And these values will inevitably come into conflict with what the authorities want them to do, giving them incentives to avoid full compliance. This doesn't happen because they are bad people. It happens because they are normal people, people whose interests don't line up perfectly with the goals of their organizational superiors.[2]

This said, there are good reasons for thinking that the motivation for noncompliance is likely to be especially strong in public education. The fact is, the authorities are faced with a school system that has been in existence for about a century now, but has never really been held accountable for student achievement. True, school personnel have been overseen by school boards, legislatures, and other public bodies, which certainly care about student achievement and have always provided resources and programs intended to help bring it about. And true, school personnel have been held accountable with regard to all these inputs, and indeed have been buried in paperwork to show that money is spent properly and programmatic guidelines adhered to. But they have not been held accountable for their key output: student learning. Attempts to do so are new.

This long-standing lack of accountability is heavily reflected in the structure of the existing system. With few exceptions, for instance, there is no connection between how much students learn and how much anyone gets paid. Lousy teachers get paid just as much as terrific teachers, and bureaucrats get their salaries whether they promote student achievement or not. Virtually all these jobs, moreover, are highly secure, and school employees do not have to worry about losing them if they happen to be bad at what they do. Teachers, who of all employees have the greatest influence on student learning, are so heavily protected by civil service and union rules that those who are mediocre or even incompetent are almost never removed from their jobs (Lieberman, 1993).

The existing system is also structured around delegation to experts. From the early 1900s on, educational leaders worked hard to convince political authorities and the general public that education is a highly technical business that needs to be put in the hands of experts--their own hands, in other words--if it is to be carried out properly and effectively. This was a strategy that worked well (in part because some amount of delegation was necessary), and throughout the last century the political authorities have relied heavily on educational administrators to guide them on matters of education policy and to run the schools. Local officials have been rankled in modern times as the state and federal governments have imposed new programs for compensatory, special, and bilingual education that have buried local systems in constraining rules and requirements (which, of course, are top-down control mechanisms). But the tradition of deference to experts remains strong. The belief among administrators is that they should have substantial autonomy to carry out their work as they see fit. And a variation on the same theme is embraced by teachers: who want to be regarded as professionals, and who want their own expertise to be respected and deferred to in the classroom (and increasingly, outside the classroom as well) (Ravitch, 2000; Tyack, 1974) .

As the political authorities attempt to bring accountability to the public schools, then, they encounter a workplace filled with agents who have had their expectations, values, and

---

[2] For an overview of how employees are generally modeled and understood, see Lazear (1998).

experiences shaped by the existing system--a system that grants them substantial autonomy, in which their pay and jobs are secure, and in which they are not held accountable for their performance. Indeed, it is quite likely that these properties were part of what attracted many of the them to the education system in the first place, and that those who have chosen to stay for more than several years (rather than leave for other careers) are people who have found these properties particularly to their liking.

This is an important point, and it needs to be followed up by another that, while uncomfortable for many in the educational community to deal with, is a possibility that needs to be recognized in any objective analysis. The follow-up point is that the public school system may well suffer from a serious problem of adverse selection--namely, that its job characteristics have not only served to attract certain types of people to work for the school system, but have actually served to attract the wrong types and to repel the right types. It is an established result in the economics of personnel, for example, that an organization that does not reward productive performance will be especially attractive to workers who are less productive (less able, less hard working, etc.), while the more productive workers will seek out opportunities elsewhere, in organizations that recognize their worth and reward them for it. By the same logic, an organization that gives its workers complete job security--in exchange, say, for somewhat less pay than they might earn elsewhere--will tend to attract workers who are highly risk averse and security-conscious, while workers who are more open to risk (because, perhaps, they are more talented or confident or ambitious or innovative) will often find other opportunities more attractive. Thus, to the extent that these forces have been operating within the public school system--and it is difficult to believe they haven't been--the current system is probably filled with teachers and administrators who are the wrong types.[3]

I suspect the adverse selection problem is a serious one that creates major obstacles to reform. But even if it weren't, reformers are still likely to meet with stiff resistance. For even if everyone agrees that student achievement is a laudable goal, the agents clearly have other values that are important to them as well--values nurtured by the current system--and these values are deeply threatened by an accountability reform that erodes their autonomy, shakes up their comfortable arrangements for jobs and pay, and demands that they work differently, work harder, and produce more. Such changes will not be welcome.

Resistance is likely to be all the stronger because teachers, the most numerous and important of all school employees and the most critical to the success of school accountability, are represented by powerful unions that are dedicated to protecting teacher interests (and union interests as well). Other employees, moreover, are represented by unions and professional associations too. As a result, the resistance of employees to top-down control does not simply arise from the separate, uncoordinated responses of individuals. It also arises from the organized activities of powerful groups: which, like their members, see most aspects of school accountability as undesirable and threatening.

The prospects for control look still worse when we recognize that, as in the classic principal-agent model, there is an information asymmetry here that works to the disadvantage of the authorities. The key factors of interest--how much students are learning, how competent and productive teachers are--are difficult for the authorities to observe, and the administrators and teachers who run the schools have far better information on these scores. They are also

---

[3] On the problem of adverse selection, and how jobs with different characteristics tend to attract (and repel) workers of different types, see Lazear (1998).

BEST COPY AVAILABLE

repositories of expertise and experience on everything from how to teach to what the curriculum ought to contain to how a school ought to be organized: matters the authorities need to understand (or have good advice on) in order to make wise decisions.

So, as even these simple considerations suggest, the authorities are up against a control problem of formidable proportions. They do not know how to produce student achievement, nor do they necessarily know student achievement when they see it. But they must try to design a control structure--a system of school accountability--that gets a resistant group of administrators and teachers to apply their expertise in all the right ways to generate the desired outcomes. Over the last decade, the authorities have sought to do this through regimes of standards, tests, and rewards and sanctions. They are fighting an uphill battle, though, and their prospects for success are not bright.

The basic reasons are already apparent, but let me tie them more specifically to the key components of the accountability system. For simplicity, let's assume (optimistically) that the authorities need not rely on local administrators and teachers for expert advice on how to design the system, and that they can instead hire their own experts--from education schools, state departments of education, or various think tanks--to provide the necessary guidance. Empirically, of course, these experts may often have many of the same values and interests as teachers and administrators and be sympathetic with their plight. But let's assume (again, optimistically) that they can provide dispassionate, independent advice. Under these rosy conditions, what should we expect from the resulting accountability system?

(1) Standards. While the authorities may be convinced that they want to promote student learning, it is not at all clear (even to experts) what the exact content of that learning should be, nor for that matter what "learning" is supposed to mean. It follows that the task of standard-setting--which is essentially the task of measuring the authorities' goals--is hardly an objective process, even for presumably well-defined subjects like math and science, not to mention subjects like history and social studies, in which experts regularly go for one another's throats arguing over what content is important and how it should be interpreted.[4]

By some authoritative decision, specific standards can be settled upon. And they can be entirely reasonable. But whatever form they take, there is nothing definitive about them, and there remains an inherent ambiguity in the connection between the standards and the authorities' goals. Children may fail according to one set of standards, but succeed according to another—so have they really succeeded or really failed? And have their teachers succeeded or failed in teaching them? These sorts of ambiguities, pervading as they do the very foundations of the accountability system, can only breed trouble for the exercise of control. And they invite manipulation by those with incentives to resist.

(2) Tests. The next step in the measurement process is to devise tests to determine how well students are meeting the standards. From a technical standpoint, this is the best-understood component of the accountability system. Psychologists and other specialists have been working since the early 1900s on the technology of testing, and a great deal is known about how to do it well. The most familiar objections to testing--that multiple-choice tests can't measure what students know, that the tests are culturally biased, and the like--are exaggerated. The fact is, multiple-choice tests can provide good measures of how well students are learning a given body of knowledge (Walberg, 2001).

---

[4] For an empirical account of just how contentious standard-setting can be among the alleged experts, see Evers (2001).

BEST COPY AVAILABLE

Many of the criticisms often leveled against testing are actually not criticisms of testing per se. Sometimes they are criticisms of state governments for using the wrong kinds of tests--for example, nationally normed achievement tests rather than tests geared to state standards. Sometimes they are criticisms of the underlying standards, which may be regarded as too vague to allow for good tests, or as not taking into account the full range of important things that schools do. And sometimes they are criticisms of the way tests are linked to rewards and sanctions, which (as I'll discuss below) can be unfair, misleading, and create the wrong incentives.

In themselves, these familiar criticisms give no reason to think that standardized tests—when appropriately designed--cannot provide useful measures of student achievement and school performance. This said, however, there is a basic problem with the conventional testing process that, while not discussed much, threatens the validity of the entire enterprise. This is that the responsibility for administering the tests is routinely put in the hands of teachers and local administrators, the very people (aside from students) whose performance is being measured. They have incentives to cheat, and their traditional autonomy in school affairs gives them ample opportunity to do so: by taking advance looks at the exams, by feeding kids answers, by doctoring answer sheets, by keeping low-scoring students from taking the exams, and so on. Until the testing process is placed in independent hands, the tests will be subject to self-serving manipulation and their value for accountability undermined (Cizek, 2001;Hoxby, 2002).

(3) Consequences (Rewards and Sanctions). While measurement is hardly straightforward, the most serious problems don't arise from the measurement process itself. They arise from attempts to use the resulting measures (standards and tests) to evaluate the performance of school personnel and attach consequences to their behavior. For most organizations, there are two purposes for doing this sort of thing. One is that it provides a basis for weeding out unproductive employees and hiring (or attracting) productive ones. The other is that it provides employees with incentives to do a good job (Lazear, 1998). In the case of the public schools, there is a third purpose: it gives the authorities a measure of how well the districts and schools are doing and indicates when remedial action is necessary to correct for poor performance. Accountability systems are likely to prove disappointing, however, on all these counts.

For starters, the authorities inherit a population of agents whose values and expectations have been shaped by the existing system, and who have been attracted by its guaranteed security and lack of emphasis on performance--and for the foreseeable future, the authorities are stuck with these people. Even if the accountability system produced excellent measures of performance that allowed low productivity workers to be identified, tenure and unions would prevent the authorities from weeding them out. The fall-back position is that the less productive workers can be given additional training--a favorite "solution" within the existing system. But training is costly, there is no evidence that it works, and it is likely to be far inferior to simply replacing these workers with people who are the right types for the job. The brute fact that replacement is not an option, and that the wrong types get to stay in place, is a problem of the first magnitude for any accountability system.

Once in place, new compensation schemes and performance pressures may accelerate the voluntary departures of workers who are the wrong types and induce more workers of the right types to sign up. But this will take time. And here too, current structures get in the way. All states currently require teachers to be certified (or if hired on an emergency basis, to become

BEST COPY AVAILABLE

certified eventually), but there is no good evidence that certification promotes student achievement. Thus, certification drastically limits the pool of potential hires, with no payoff in productivity (Walsh, 2002; Hess, 2001). Accountability reforms typically do nothing about this, and nothing to facilitate the hiring of productive people. If anything, in fact, many reformers seem to believe that stricter certification is called for. The upshot is that the replacement of less productive by more productive workers is likely to be much slower and less effective than it would otherwise be.

These problems aside, how well can we expect an accountability system to motivate the people who actually work within the public schools? Typically, the best way to generate high-powered incentives is through regimes that attach consequences to performance, and the most obvious way to do this is through some form of performance pay in which teachers and administrators are compensated (at least in part) on the basis of student achievement. Coming up with a pay-for-performance scheme that has the desired results, however, is not so easy. Here are just a few reasons why.[5]

First, in the interests of productivity, the extent to which pay should be linked to student achievement tests depends on how well these tests actually measure performance; the more uncertain the measures, the more the authorities should rely on other forms of pay--straight salary, for instance, coupled with subjective evaluations of performance. The question, then, is how well academic tests can measure what the authorities really want to promote, and what this says about the proper form of performance pay. The answers aren't obvious. And wrong answers will take a toll on productivity.

Second, a familiar refrain among economists who study these things is that "you get what you pay for." By this they mean that, if performance is measured by X, then employees who are paid on the basis of their performance will produce X even if X turns out to be little related to the overarching goal of the organization. The superiors, in other words, will get what they pay for but not necessarily what they want--and pay-for-performance may backfire. In the context of the public schools, this is what critics are getting at when they argue that teachers will respond to accountability schemes by "teaching to the test," and thus by trying to jack up their students' test scores rather than trying to ensure that they actually learn the material. "Teaching to the test" is fine if the tests are excellent measures of student achievement. But to the extent they aren't, incentives will be misdirected.

Third, another well known finding among economists is that, in multi-task settings, measuring and paying for performance on one task will cause employees to divert all their attention to that task and to shift away from the others. For the public schools, this means that an accountability system that focuses incentives on student achievement will cause teachers and administrators to put less emphasis on all the other things schools might be doing--promoting tolerance, for example, or democratic citizenship or appreciation of art and music. People who value these things are thus rightly worried that pay-for-performance might tend to make schools more one-dimensional, and that, even if student achievement were thereby improved, the schools might generate much lower contributions to society on other dimensions--for a net change that, overall, might be undesirable. If the authorities value these other dimensions too, they need to design accountability systems that, while promoting achievement, don't push the schools too far toward one-dimensionality by rewarding achievement only.

---

[5] For discussions of the logic—and problems—of linking pay to performance, see Lazear (1998), Gibbons (1998), and Pendergast (1999). My own discussion in the text simply highlights basic points in the literature.

Fourth, student achievement is affected by the performance of teachers and administrators, but it is also affected--quite strongly--by the family backgrounds of students as well as many other factors. Test scores summarize the impacts of all these influences, and thus can be very misleading if taken as simple indicators of how well teachers and administrators are doing their jobs. If school personnel are to be properly evaluated--and through the attachment of consequences, properly motivated--they must be held accountable only for their own impacts on student achievement. This requires a more complicated approach to measurement, which in turn raises new problems and controversies. One solution is to adjust the test scores by controlling statistically for "other factors" beyond the employees' control. But there are inevitably arguments about what those factors should be and how the adjustments should be made. Another solution is to use changes in test scores from the beginning of the year to the end, which cancels out the effects of most "other factors" and allows for a focus on the "value added" by teachers and schools. But this raises still other problems. Evidence suggests, for example, that there is a good deal of randomness in the fluctuation of test scores over time; and to the extent this is so, using value-added scores to evaluate performance may be misleading and create distorted incentives (Kane and Staiger, 2002; Linn, 2000).

Fifth, test scores tend to rise for several years after a new testing regime is first put in place, but this happens because of growing student and teacher familiarity with the test, and not because students are learning more (Koretz et al., 1991; Linn, 2000). Especially during the early years of an accountability system, then, test scores are likely to give a misleading impression of improvement and success, and to produce rewards for teachers and administrators who don't deserve them.

I've spent all this time discussing pay-for-performance because, in organizations generally, it is typically the best way to generate strong incentives--and because it is important to know that, even if pay-for-performance could be introduced into American education on a grand scale, it would not be easy to pull off in a fully effective way. The reality of accountability reform, however, is more disappointing still: for it has rarely allowed pay-for-performance to be seriously pursued, and has typically involved rewards and sanctions whose impacts on employee incentives are even more tenuous and problematic.[6]

When rewards for good performance are involved, for example, they often go to the school as a whole, and they take the form of additional operating funds for the school rather than money that goes into people's pockets. Thus, incentives are twice-diluted. Once because the funds represent a collective good for the entire school, which, as in any context of team production, gives individual employees little incentive to respond. And twice because the shared funds are not theirs to pocket anyway, but benefit them only indirectly in ways largely determined by others. For these reasons, school-level awards are likely to be weak mechanisms for calling forth additional effort and productivity.[7]

The strategy of publicizing test scores—through school report cards that are made publicly available, for example—suffers from the same problem. Although it is certainly a healthy thing for parents and other citizens to be informed of how their schools are performing, any pressure they exert in response to this information will be felt by whole schools—by the

---

[6] For a comprehensive account of the sorts of accountability reforms that have actually been adopted in the states, see Education Week (2002). My discussion lists the more common ones.

[7] For a discussion of some of the problems inherent in team production, see Lazear (1998).

teams—and not directly by the individuals within them, who see the pressure as a collective bad but have little personal stake in responding. The incentives are there, but they are diluted.

Another common approach is to threaten sanctions for poor performance, often through state intervention or reconstitution. But these sanctions are irrelevant to the vast majority of schools, and so will have no impact on most employees' incentives. Furthermore, they do not really solve the performance problem in the few schools that are sanctioned. States can intervene, for example, but its representatives may know even less about running the schools than local employees do, and the latter's incentives remain roughly the same: no jobs are lost, and everyone still gets paid for being unproductive. Reconstitution is more threatening, as teachers and principals in the affected schools do "lose" their jobs. This in itself is a good thing. But because their jobs are guaranteed within the district, the unproductive employees are simply foisted onto other schools, where they can continue to be unproductive and receive their usual salaries--which is bad for the other schools. Moreover, the "new" employees in the reconstituted schools, probably drawn from elsewhere in the district, will continue to be compensated regardless of how well they perform, and will have incentives that are just as weak as the employees they replaced. In the end, the reconstituted schools may wind up with employees who are higher in average ability, but the rest of the schools will have their average ability levels lowered, and everyone's incentives remain basically the same. This is essentially a strategy of rearranging the deck chairs.

Still another favorite approach--misdescribed as a method of sanctioning--provides low-performing schools with additional resources and services (such as training) in an effort to turn them around. Here again, the vast majority of schools and employees are entirely unaffected, with no greater incentive to improve. And even in the low-performing schools singled out for "sanctions," there is no positive effect on employee incentives. Indeed, as additional resources and services are usually looked upon as desirable, any change in incentives could be perverse, with employees realizing that they are essentially being rewarded for their poor performance, and having every reason to continue their unproductive ways.

Needless to say, this is not a pretty picture. The belief that the public schools can be held accountable for their performance, and that it can be done successfully through a system of standards, testing, and consequences, may seem to provide an eminently reasonable agenda for bringing about significant improvement in the nation's school system. But common sense is often a poor guide to public policy, and that is the case here --even if we ignore all the political problems that, as I'll argue below, accountability is likely to run into.

Considered purely as an issue of top-down control, accountability is a very difficult proposition. The authorities face a population of agents who are not of their own choosing, whose jobs are securely protected, who have strong incentives to resist accountability, and whose actions cannot easily be observed--and all this stacks the deck against effective control, particularly given the unimpressive mechanisms the authorities have chosen to rely upon. This does not mean, I should emphasize, that accountability reforms cannot improve upon the status quo and lead to somewhat better schools and student achievement. Nor does it mean they shouldn't be tried. It simply means that results are likely to be disappointing, and to generate much less progress than reformers hope for.

The Problem of Politics

Reformers face more than a control problem. They also face a political problem, which arises from the simple fact that the public schools are agencies of democratic government. As government bodies, everything about their structure and operation, including whether and how they are to be held accountable, is subject to determination through the political process--and the people and groups that carry the most weight in the political process are not necessarily interested in creating accountability systems that work.

The Political Power of the Agent

Politics leads to a simple but profound twist on the original principal-agent model. The standard assumption is that the principal has certain goals that are given from the outset--in our case, the goals of promoting student achievement and improving the schools--and the principal's challenge is to get his agents to pursue these goals productively. Once the relationship is embedded in a political context, however, it no longer makes sense to assume that the principal's goals are exogenously set, nor for that matter that the principal himself is an independent actor in the relationship. For the principals in a political system are elected officials who hold public office, and the whole point of politics is to determine which people get to be principals in the first place and what goals they will use their authority to pursue.

I argued earlier that, even when the authorities are assumed to be totally dedicated to the goals of student achievement and school improvement, their efforts to impose accountability on teachers and administrators will run into serious problems. Once politics is taken into account, the reasons for pessimism are only magnified, because the authorities who gain office and make the key decisions may not be dedicated to the creation of an effective system of accountability at all. They may, in fact, have very different goals in mind, goals that push them in directions that weaken or undermine the kind of accountability that reformers are looking for.

This is more than just a possibility. The standard view among political scientists is that elected officials are driven primarily (if not entirely) by reelection, and that, in formulating positions on public policy, they tend to take whatever stands are necessary to gain support from the constituencies and interest organizations that can most affect their chances at the polls. The implication is that elected officials often do not choose their policy positions according to what is good or in the public interest, or even according to what they personally believe. Their policy positions are variables in a political calculus, and they are crafted to maximize their appeal to powerful groups (Downs, 1957; Mayhew, 1974; Mueller, 1989).

In the abstract, there is nothing nefarious about this. Elections are the political system's method of holding public officials accountable; and it is the motivation to gain and keep office that, when disciplined by competitive elections, drives officials to take policy positions that represent constituencies within the electorate (rather than, say, representing only themselves). Representational problems arise not because politicians are concerned with reelection, but because power in our society (as in all other societies) is unequally distributed, and politicians have incentives to favor whatever groups happen to be powerful, even if their interests do not reflect those of the larger society.

This is a perennial problem of democratic government, and it afflicts virtually all areas of public policy. But it is especially serious in education, because there is one interest group that is far and away the most powerful actor in this sphere of policy, wielding inordinate influence on the nature and content of reform. I am speaking here of the teachers unions. The teachers unions are a problem, moreover, not simply because they skew public policy in the direction of their own special interests. They are a problem because the special interests they represent happen to be those of the agents (Moe, 2001; Lieberman, 1997; Thomas and Hrebnar, 1996).

So here is the situation. Public officials, acting as principals, are responsible for building and running a system of public education that meets the needs and interests of ordinary Americans. This in turn requires that they hire agents--teachers and administrators--and impose control mechanisms to ensure that these agents do their jobs productively and in the best interests of society. But the public officials are elected. And because they are, the ways they exercise their authority--the policies they support, the goals they seek, the decisions they make--are heavily influenced by groups that can wield electoral power. And the most powerful group by far is the group that represents the agents themselves: who have interests quite different from the larger electorate, and who do not want to be held accountable by the authorities who are their formal bosses.

Thanks to politics, then, the familiar control relationship is not what it appears to be. The authorities are in a position to exercise organizational control over their agents within the schools. But the agents, acting mainly through the teachers unions, are in a position to exercise political control over the authorities, and thus to influence whether and exactly how that organizational control gets exercised. Thus, a system of accountability may look like an exercise in top-down control, but it is really a system that has been shaped, perhaps profoundly so, by the self-interest of the very people it is supposed to be controlling--and there is every reason to believe, therefore, that it will do a very poor job of achieving genuine accountability. Indeed, to the extent that the agents have political power, it will be designed to do a poor job.

Teachers Unions as Political Actors

Given their key role in the politics of accountability, let's consider the teachers unions in greater detail and get a better sense of what to expect from them. First and foremost, the teachers unions are just unions. Collective bargaining is their core function and the base of their economic and political power, and it is through collective bargaining that they get members, resources, and the capacity for political action. These are the fundamentals of their success and prosperity as organizations.

Their most basic interests arise from these fundamentals. Above all else, the teachers unions need to extend the reach of collective bargaining to as many districts as possible, and to do whatever they can to keep members and resources and get more. Other interests follow directly from these most basic ones. For example, the teachers unions find it beneficial to: protect their members' jobs, provide their members with higher pay and benefits, expand their formal rights and on-the-job autonomy, increase the demand for teachers, support higher taxes and bigger public budgets, and so on.[8]

[8] For a more extensive discussion of union interests and what they mean for the behavior of unions in politics, see Moe (2001).

Note that these interests need have nothing to do with what is best for children, schools, or the public interest, and may sometimes (perhaps quite often) lead teachers unions to use their power in ways that are contrary to the greater good--by protecting the jobs of incompetent teachers, for example, or by burdening the schools with so many formal restrictions that they cannot be managed or governed productively. (And these are just the tip of the iceberg). This said, I hasten to add that behavior at odds with social welfare is hardly unique to the teachers unions. Virtually all interest groups in American politics do the same thing: they pursue their own interests without much regard, one way or the other, for what might be best for society as a whole. These are the interests they were set up to pursue, and they are just doing their jobs (Ciglar and Loomis, 2002).

If the teachers unions are unusual, it is not because they have special interests. It is because they wield the kind of political power that most other interest groups can only dream about. This extraordinary political power is also rooted in collective bargaining--for it is the teachers unions' firm grip on the public schools that guarantees them some three million members nationwide, massive financial resources, and organizational networks at the national, state, and local levels that are ideal for coordinated political action (Moe, 2001).

Thus equipped, they have everything it takes to be a major force in political campaigns. They are loaded with cash and can be an important source of much-needed campaign contributions. But even more important, they can put active, well-educated troops on the ground in virtually every electoral district; and by making phone calls, distributing literature, getting out the vote, and otherwise campaigning for union-friendly candidates, these troops can provide contributions far more potent than money. Throughout American society, there are really no other groups that can claim this kind of coast-to-coast coverage and clout.[9]

Not surprisingly, the teachers unions have chosen to use their power almost exclusively on behalf of Democrats. They normally do everything they can to see that right-thinking Democrats--the most pro-union, pro-government, and anti-market--get nominated, and that Democrats defeat Republicans in general elections. They are also clear and forceful in letting Democratic officeholders know that they expect something in return for their electoral support: they want favorable policies enacted, and they want threatening policies blocked. As vote-seeking politicians heavily dependent on the teachers unions for support, the Democrats have strong incentives to give them what want, or at least much of it.[10]

The teachers unions' great power, however, does not allow them to write their own ticket, even with Democrats. They face a few limitations that are worth pointing out.

-- Governors and presidents are less susceptible to union power than legislators are, because they have constituencies that are much bigger and more eclectic, giving them electoral incentives to pursue reforms that are more sensitive to broader social interests. Executives can be influenced, but they can also be trouble.[11]

---

[9] It is worth noting in this regard that, in a recent academic study based on expert ranking of interest groups in the states, the teachers unions were ranked as the single most powerful type of group, beating out business associations, trial lawyers, doctors, insurance companies, utilities, and all other political actors. They were ranked among the very top groups, moreover, in virtually every state outside the South. See Thomas and Hrebnar (1996).

[10] For a more extensive discussions of the unions' relationship to the Democrats, as well as their activities in politics generally, see Moe (2001), Lieberman (1997), Berube (1988), Murphy (1990), and Moo (1999).

[11] For an analysis of how presidents differ from legislators in their political behavior, see Moe (1989). The same logic applies for governors.

-- In right-to-work states, which are mainly in the South and Southwest, the laws do not favor unionization or collective bargaining, and the teachers unions have fewer members, less money, and less political clout with public officials. This shouldn't be exaggerated, as the teachers unions are still a major political presence in these states. But they are less able to control public policy there than in the rest of the country (Moe, 2001; Lieberman, 1997).

-- Depending on the state and the issue, there may be other powerful interest groups—business groups, for example--that take up positions against the teachers unions. These other groups, unlike the teachers unions, usually have broader agendas than just education, and this gives them less incentive to punish politicians who don't go along with them on educational issues. Nonetheless, even Democratic officials may be cross-pressured in the presence of such opposition, and less responsive to union demands.[12]

To these limitations we have to add one more that arises from a general property of the American system of checks and balances. New legislation must run a gauntlet of subcommittees, committees, and floor votes in each of two legislative houses, as well as survive executive vetoes (and at the national level, filibusters and holds). This means that, when the teachers unions (or any interest groups) want to see favorable policies passed into law, they must overcome each and every veto point--while opponents need to succeed only once, at any veto point along the way, in order to block. Even for the powerful teachers unions, then, taking action to change public policy is likely to be difficult. The system stacks the deck in favor of those who want to block, and weaker groups may often be able to stop the unions from carrying out their designs.

While this is surely a limitation, the unions can also benefit--enormously--from this deck-stacking property of our political system: for the unions can play the blocking game too. And it is here that they are especially well positioned to get their way. In particular, they are usually powerful enough to stop the enactment of reforms that they oppose, and thus to protect a status quo—of government bureaucracy, collective bargaining, minimal competition, and minimal accountability--compatible with their own best interests. During a time of educational ferment, in which there is widespread pressure for change and improvement in the public education system, this is the way teachers unions put their power to most effective use. They use it to block change[13].

The Politics of Accountability, Part I

So it is in the politics of accountability. Reformers are dedicated to holding teachers and administrators accountable for student achievement, but this is a goal that, if pursued seriously, is threatening to the unions' interests--and their incentive is to use their considerable power to block.

They are not powerful enough to stop the accountability movement cold, however. The movement has, after all, achieved legislative successes all across the country, and it has been able to do this because, as I suggested earlier, the authorities are eager to respond to whatever constituencies and groups can affect their odds of reelection--and there are some that strongly favor school accountability.

A big reason for the movement's prominence is simply that the idea of accountability is very popular with the American public, and political candidates and public officials--including

[12] For an analysis of how interest group systems vary across the states, see Thomas and Hrebnar (1996).

[13] For a discussion of how the unions engage in the politics of blocking, see Moe (2001).

Democrats--clearly see it as something they need to support on electoral grounds. This is particularly true of governors, who, of all public officials, are viewed as most responsible for improving the quality of schools. They gain credit with the public when the schools do well, they get blamed when the schools fail, and they are widely expected to "do something" to produce results. Accountability is a popular way of taking action.

Its attractiveness to authorities is all the greater because business groups--which, unlike the mass public, are organized and well informed--have taken the lead on school accountability and pushed for reforms that are serious and far-reaching. Concerned about the low quality of the workforce, and motivated to create more productive (and economically attractive) business environments in their communities and states, business groups have seen accountability--which mirrors their own emphasis on managerial efficiency--as a linchpin of school improvement.[14]

The teachers unions, therefore, despite their predominant power, cannot count on dictating the way authorities approach the accountability issue. The authorities face competing pressures from business and the public, and they have incentives to be responsive to these other constituencies. So what can the unions do? One strategy is to use their power to block any move toward accountability--which, given the relative ease of blocking, would often prove successful. Yet it wouldn't always be successful, given the array of power and incentives on the other side. And it wouldn't necessarily be wise anyway, because the unions would damage their public image (and ultimately their political clout) by coming across as unyielding opponents of something so broadly popular.

A much better strategy--a favorite of interest groups in all areas of American politics--is to come out enthusiastically in "support" of the popular issue, participate actively in the design of "appropriate" policies, and exercise power to block the inclusion of anything that is truly threatening. In this way, the teachers unions can support accountability and appear to be one of the good guys, while at the same time preventing the accountability system from holding teachers and administrators accountable in any meaningful sense.

How would such a strategy play out in the policymaking process, as actual accountability systems are being designed? The answer turns on the nature of union interests and how they are affected by the three key components of modern-day accountability reform: standards, testing, and consequences.

(1) Standards. From the standpoint of union interests, there is nothing threatening about curriculum standards in and of themselves. Standards only become threatening if they are backed by consequences. Thus, if consequences are not being proposed, or if the unions are reasonably confident they can block any serious proposals along these lines, then they can publicly join ranks with the accountability movement by supporting curriculum standards and getting actively involved in their design and adoption. What they are really supporting is standards without accountability.[15]

---

[14] For case studies that illustrate the prominent roles that governors and business groups play as accountability advocates within the political process, see Hill and Lake (2002), Hess (2002), and Kurtz (2001).

[15] Both the National Education Association (NEA) and the American Federation of Teachers (AFT) publicly support standards and portray themselves as participants in the movement for accountability. The AFT, in particular, has tried hard to come across as forward-looking and progressive in pushing for more rigorous standards. But the fact is that both are opposed to any meaningful consequences—except, perhaps, for students. For formal statements of their positions, see National Education Association (2002) and American Federation of Teachers (2001).

Sometimes, however, the unions will be faced with policy packages that link standards to consequences. When this happens, the unions will take standards more seriously. They will want to see that—as "experts"—they themselves as well as their members get to play integral roles in shaping the content of the standards.[16] And they will have incentives (all rhetoric aside) to see that the standards are relatively easy to meet: arguing for "passing" bars that are comfortably low and, in systems that are up and running, reacting to disappointing results (large numbers of students failing the tests) by claiming that the standards and passing bars are themselves poorly conceived and need to be changed (by weakening them).[17]

It is heavily to their advantage in all this that the standards are ambiguous to begin with. They are ambiguous because, as we noted earlier, even experts who are totally objective can disagree on what good standards ought to look like and where the "passing" bar ought to be set. And they are ambiguous because the standards are supposed to reflect the authorities' own educational goals--which have no objective status either, but are the product of politics and shaped by power and self-interest. So if the unions want to water down the standards, making it easier for students to pass and for teachers to avoid consequences, there can be no objective baseline to prove them wrong, and there is lots of room for them to maneuver.

(2) Tests. Tests, like standards, are not threatening to the unions as long as they don't give rise to consequences. Until recently, they rarely did. Test results were essentially secret. Scores would be used internally by the school system and passed along to the parents of individual students. But there was no effort to publicize the tests, no attempt to measure and publicize how well teachers, schools, districts, or states were educating kids, and certainly no attempt to hold anyone accountable on this basis. So there was little for the unions to fear.[18]

The accountability movement changed all this. It is now common for states to publicize test scores, and this in itself is a form of consequence (although a weak one, as I suggested earlier); for low scores generate criticism and pressures for improvement that make life less comfortable for school personnel. The unions cannot be happy about this, and have incentives to resist reformer demands that test scores be matters of public consumption. (Because publicity is likely to be so popular, however, and so easy for the authorities to provide, the unions will tend to have a hard time prevailing on this one.)

More troubling still from the union's standpoint, test scores provide a quantitative basis for measuring how well teachers and administrators are doing their jobs--and this makes possible the application of rewards and sanctions, which the unions want to prevent. Thus, test scores themselves become threatening. Without them, the authorities (and the public) would have a very difficult time evaluating school personnel, and there would be little concrete (or politically justifiable) basis for bringing consequences to bear.

The unions, as a result, have incentives to oppose testing--or more practically, because testing is quite popular with the public, to argue that the tests currently in use (whatever they

---

[16] The NEA ,for example, says that "state and local affiliates must participate in the planning, development, implementation, and refinement of standards, conditions, and assessments..." It also says that "classroom teachers must be involved in the development of classroom assessment systems and are best qualified to determine the criteria for assessment of students and dissemination of results." See National Education Association (2000).

[17] No one wants to say they are for weak standards, of course. But the unions are consistently critical of tests that point to low levels of achievement (and thus, implicitly, low levels of performance by their members), and they often take political action to modify the results (allowing more people to pass) by weakening the standards on which they are based. See Hill and Lake (2002), Hess (2002), and Kurtz (2001).

[18] On the history of testing in education, see Ravitch (2001; 2000)

might be) are deeply flawed, need revision, and cannot in themselves provide valid measures of anyone's performance, whether student or teacher or administrator. This is a self-serving argument, as they would make it even if the tests were wholly perfect. Fortunately for them, however, some of the arguments they can make about the perils of testing are actually good ones that deserve to be taken seriously by people who simply care about quality schools. These are the arguments I discussed earlier when outlining the difficulties of top-down control. It is right, for example, to complain if states rely solely on nationally normed tests and don't design tests that conform to their own standards. It is right to say that reliance on a single test, rather than multiple indicators of performance, can be risky and unfair. It is right to say that lots of factors affect student achievement, and that test scores can be wildly misleading unless these things are adequately factored out (which can be difficult and uncertain). And it is right to emphasize that schools have more to contribute than just student achievement, and that focusing on test scores fails to measure the true range of things that make up (and should make up) school performance.[19]

But again, if all these things could somehow be dealt with, the unions would still be against testing. If testing is done well, it allows for precise measures of performance and thus for systems that hold school employees accountable for their performance, and the unions want to prevent that from happening. What they can allow themselves to be <u>for</u>, as alternatives, are various methods of evaluating student learning that involve subjective judgments on the part of teachers--course grades, assessments of portfolios, assessments of effort, and the like. Because student scores on these counts become the basis for evaluating teachers, a system that relies on subjective judgment essentially allows the teachers to control their own performance evaluations. Not a bad deal if you can get it.[20]

(3) <u>Consequences</u>. The unions' prime goal in the politics of accountability is to weaken or eliminate any consequences that might be associated with the standards and tests.[21] What they want, in their image-building role as crusaders for better schools, are accountability systems that look like they are designed to do the job--owing to the impressive standards and tests--but that lack the consequences that are necessary for actually holding people accountable. If they get their way, they can have their cake and eat it too. They can come across as supporters of accountability--but the accountability systems won't work and won't threaten their interests.

Among their highest priorities is ensuring that pay is <u>not</u> linked to performance, and thus that the key mechanism of top-down control is essentially removed from consideration.[22] Most

---

[19] For union complaints about testing, see National Education Association (2002) and AFT (2001). For their political activities in opposition to testing, see Hill and Lake (2002), Hess (2002), and Kurtz (2001).

[20] Both the NEA and the AFT argue for broader, more comprehensive evaluations of students that go well beyond the usual standardized tests, and these sorts of evaluations inevitably involve subjective judgments by teachers. See NEA (2002) and AFT (2001).

[21] The NEA, for example, says that it "opposes the use of standardized tests when—Used as the criterion for the reduction or withholding of any educational funding… Results are used to compare students, teachers, programs, schools, communities, and states…The results lead to sanctions or other punitive actions…Student scores are used to evaluate teachers or to determine compensation or employment status…" See National Education Association (2002).

[22] The AFT is flatly opposed to merit pay (which is essentially just pay for performance), but it has tried to talk a more liberal line on teacher pay lately. What its liberalized position really boils down to, though, is that it is willing to get away from the traditional salary schedule somewhat—not entirely—and have teachers paid in part based on things like advanced certification (e.g., national certification), teaching in low-performing schools, and mentoring—roles and qualifications potentially open to any teacher, and that do not depend on the teacher's actual performance

of their members are likely to be averse to performance pay, for reasons outlined earlier. But the unions also have their own objections, because performance pay creates competition among members, threatens internal solidarity, and puts too much discretion in the hands of administrators. The unions want salaries to be set (as they are now and have been for ages) on the basis of seniority and education: which are within reach of all teachers and unrelated to performance in the classroom (Moe, 2001; Lieberman, 1997).

The unions are also against attaching rewards and sanction to whole schools based on school performance, as this too creates an unhealthy competition (across schools) that the unions seek to avoid. Given a choice, however, they would view this approach as far preferable to performance-based consequences for individual teachers, for it at least preserves the solidarity of the teachers within each school and better protects them from risk.[23]

While the unions would prefer to see no rewards or sanctions at all, whether at the individual or school level, they are obviously more stridently opposed to sanctions than to rewards. Above all else, no one should ever lose a job, and there can be no weeding out process by which the school system rids itself of mediocre and incompetent teachers. Other kinds of economic sanctions--pay cuts, reductions in funding--are verboten as well. And so are common sense policies that might lead to such sanctions: for example, the testing of existing teachers in low-performing schools to ensure that they are competent enough to stay in the classroom. All are unacceptable, and at a very high level of priority.

Should consequences ever be adopted, union interests require that they always take the form of rewards: bonuses for high-performing teachers or, far preferable, bonuses for high-performing schools (with the unions playing key roles in deciding how the rewards are distributed among teachers within each school). A union-preferred accountability system, then, would exercise accountability--to the extent it exercises it at all--entirely through a system of positive inducements. There would only be winners. No losers.

This same logic readily applies to the question of how the accountability system should grapple with the critical problem of low-performing schools. State intervention and reconstitution are both sanction-like approaches that are threatening to union interests. The preferred approach is for low-performing schools to be given greater funding, more assistance with its programs, and more training for its teachers: consequences that are essentially rewards for school personnel, and indeed are the kinds of things the unions and other establishment groups are always lobbying the government for anyway. Having them included as "consequences" in an accountability system is really just a back-door way of directing more resources to these schools.

---

in the classroom or how much the students actually learn. See American Federation of Teachers (2002). The AFT affiliate in Cincinnati negotiated a contract in late 2000 that included pay for performance, and pundits around the country pointed to this rare event as evidence that the unions are becoming more flexible. In the spring of 2001, however, the president of the Cincinnati union was voted out of office by a landslide. His opponent, who campaigned on a promise to revoke pay for performance, won 78% of the vote. So much for liberalization. See Education Intelligence Agency (2001).

[23] Here and in the arguments below, evidence that these are the positions the unions actually tend to take in politics can be found in Hill and Lake (2002), Hess (2002), and Kurtz (2001).

What should we expect, then, from the politics of accountability? For starters, we should expect that many authorities will not be motivated to design an accountability system that actually works. Their goals are endogenous to the political process, shaped by the constituencies and groups that can most affect their reelection. And the most powerful of these groups are the teachers unions, whose own interests are very much opposed to what reformers are trying to get the authorities to do.

This does not mean that the unions automatically get what they want. Reformers have public support and the power of business on their side, and this gives the authorities--governors in particular--reason to "do something" in creating systems of accountability. The unions' best strategy under the circumstances is to go along with the political tides, and use their considerable clout to block or eviscerate those aspects of accountability that are most threatening to their interests.

Their success will vary, state by state, depending on how conducive the circumstances are to union power. Obviously, these circumstances may be quite complicated. But other things being equal (and I emphasize this), the teachers unions should tend to be most successful--and accountability systems accordingly weaker--in states where Democrats have the most political control over the machinery of government, where strong collective bargaining laws give teachers unions a favorable environment for organizing and taking political action, where business groups are not especially powerful or active, and where the performance of the public schools is widely regarded as acceptable. The unions should tend to be least successful--and accountability systems accordingly stronger--in states controlled by Republicans (especially if the Republicans control the governorship), where right-to-work laws make organizing and political action difficult, where business is powerful and active, and where the performance of the public schools is poor and widely disparaged.[24]

Across the nation, then, we should expect to see a diverse distribution of accountability systems. Some may be little more than symbolic shells, others may be serious systems with real teeth, and most will lie somewhere in-between--their properties depending on how much power the teachers unions are able to wield in the politics of accountability. The modal system, however, is sure to be substantially influenced by union interests, and thus crafted in such a way

[24] It is not an accident that the accountability systems in Texas and North Carolina—both right-to-work states where unions are weaker than elsewhere—are often pointed to as examples of strong systems that seem to work reasonably well. Pointing to examples like this is a bit risky, however, as a means of documenting my claims in the text about where we ought to find strong and weak accountability systems, because the "other things being equal" caveat needs to be taken seriously, and because even the four factors I mention can interact in a variety of ways. California, for example, has a very powerful union and a Democratic governor, but this governor supported the creation of a fairly strong accountability system (compared to other states')—because, I suspect, the state has performed absolutely horribly in recent national test rankings, and there is intense pressure and much public support for governmental action. The union didn't like it, and is still trying to overturn it, but the Democratic governor is still hanging tough. In California, then, one factor—horrible performance—seems to have outweighed all the others. Whether this is usually the case, I can't say. But it would be a mistake to think that accountability can only make progress in Republican states with weak unions.

that the basic requirements of top-down control--all of them having to do with consequences--are either weakened or thoroughly violated. In particular, we should typically expect to see[25]:

-- no serious attempt to pay people based on their performance
-- a willingness to give out rewards, but not to apply sanctions
-- the targeting of rewards to whole schools, not to individuals
-- no mechanisms whatever to weed out mediocre or incompetent employees

What we should expect to see, in short, are accountability systems that aren't built to hold the schools and their employees accountable. They may look like accountability systems. And they may be called accountability systems. But they can't do their jobs very well--because they aren't designed to.

Looking Ahead

My purpose here is not to disparage the school accountability movement. I would be overjoyed if the schools could be held accountable, and if student achievement and school quality could be dramatically improved as a result. I suspect that most everyone else (outside the school system) feels much the same. But wishful thinking is not a sound basis for effective public policy. To design policies that get us where we want to go, we need to understand what we are doing and what we are up against--which requires, at the very least, a commitment to objective research and honest analysis that may tell us what we are hoping not to hear.

In this paper, I have argued that school accountability faces two fundamental problems, a control problem and a political problem, that undermine its prospects for success. The control problem arises because school employees have their own interests distinct from those of the authorities, as well as information that the authorities don't have, giving them the incentive and the capacity to resist top-down efforts to hold them accountable. The political problem arises because the authorities are elected officials, are responsive to the political power of school employees--exerted mainly through the teachers unions--and thus have incentives not to demand or pursue true accountability anyway, control problem or no.

Both problems are inevitable, and they are not simply going to go away. In the foreseeable future, the people who operate the public schools will continue to have their own interests and to have information largely unavailable to the authorities. And elected officials will continue to govern the schools and be responsive to the power of the teachers unions. The only realistic conclusion is that, at least for some time to come, we ought to have low expectations for what top-down accountability systems are likely to produce

This does not mean, however, that they should be discarded. The fact is, we have an education system that for almost a century has not been held accountable for student achievement, whose incentives are almost precisely the opposite of what high levels of productivity would seem to require, and whose job characteristics are likely to attract employees of the wrong types. An accountability system that emphasizes student achievement, and that even attempts to motivate school personnel along those lines, involves little risk of actually reducing achievement and offers at least some prospect of improving it, simply because the structure of the current system is so utterly inappropriate. The accountability that results may be

[25] And empirically, in fact, this is what we do see. For an overview of accountability systems, refer to Education Week (2002).

far from optimal, and will probably disappoint its supporters. But that doesn't mean it won't generate improvements and that it shouldn't be tried.

There are reasons for believing, moreover, that the problems I've identified here might become somewhat less severe with time. One way to help ameliorate control problem, for example, is through better measures of performance, measures that address the reasonable objections of critics and provide more efficacious means of holding people accountable. This is a job for education researchers (which they are already working on), and we can expect progress in the future. Researchers can also help figure out how to use these measures, perhaps in combination with broader, more subjective evaluations by superiors, to design incentive structures that properly motivate people.[26]

In addition to these (and other) benefits of research, accountability may also benefit from a built-in bonus. This comes about because many accountability systems, even highly imperfect ones, are likely to be self-improving over time. (If we have the time to wait.) The reason is that any semi-serious form of accountability will tend to make life difficult for unproductive employees, who will be under pressure to worker harder and produce results; and they will have at least some incentive to quit their jobs. Similarly, people who are the right types--more able, more geared to productive performance--will find these jobs more attractive than before. Although an inadequate compensation scheme (one that doesn't really reward productive behavior) will put a damper on these dynamics, the sheer persistence of an accountability system over a long enough period of time may change the internal composition of personnel in a good way, and thereby lead to better quality outcomes than a short-term look at the system would seem to suggest.

If we look purely at control issues, then, there are reasons for guarded optimism. Unfortunately, the political problem remains, and it threatens to stop any progress in its tracks. We have to remember that the authorities are not eager to follow the lessons of new research, however much may be learned about the best way to construct an accountability system--because constructing such a system is not their goal in the first place. Their decisions are driven by politics; and in order to mollify powerful groups, they are happy to adopt accountability mechanisms that they know don't work very well. Research isn't going to change that. Politics also affects the extent to which an accountability system can be self-improving through changes in composition: the authorities will have strong incentives, as long as the teachers unions are powerful, not to adopt the kind of compensation systems that will be highly attractive to the right types of employees and highly unattractive to the wrong types. Changes in internal composition may still occur, but they will be far less consequential and take far longer than if the authorities actually wanted to make the changes happen.

As all this suggests, politics is the stickier of the two wickets. Absent politics, the control problem might be ameliorated over time. But politics is not absent. And because this is unavoidably so, the authorities--pressured by the unions--can be counted upon to exercise much less control than they have the capacity for, and to take less than full advantage (or no advantage at all) of developments that would seem to make their accountability job easier.

When all is said and done, then, the top-down approach to accountability--taken alone--is destined to be a disappointment in most states most of the time. The good news, however, is that this is not the only approach to accountability available to us, and it needn't be adopted all by

---

[26] For a good discussion of what researchers can contribute to the design of effective accountability systems, see Hanushek and Raymond (2002).

itself. While the accountability movement has thus far been transfixed by the top-down model, the fact is that schools can also be held accountable from below through well-designed systems of school choice--and there is good reason to think that the combination of the two approaches might be a much more effective way of imposing a kind of accountability that really works, and that leads to better schools (Finn, 2002).

When parents are able to choose their kids' schools, whether their choices are purely public (via charter schools) or include private schools as well (via vouchers), the regular public schools are put on notice that, if they do a poor job of teaching children or responding to the concerns of parents, they can lose kids and money--which they don't want to lose. This gives them incentives to perform; and the stronger the competitive threat, the stronger the incentives.

Some of the incentives are felt collectively at the school level, and thus are not as potent a motivator of individual teachers and administrators as they might be. But the incentives are also transmitted up the chain of authority: for no one responsible for the regular public schools wants the system to shrink and wither as parents run for the exits. They have incentives to stop the hemorrhage, and a key way to do this is to make performance a much more central consideration in the way schools are organized and employees compensated, hired, and fired. The bottom-up and top-down forces for accountability thus become joined: the competitive pressure from the bottom gives the authorities much stronger incentives to be serious about top-down accountability, and to make the changes that are necessary to build a better-performing organization that can keep kids and money from leaving.

Of course, there is a political problem with school choice as well. The unions are well aware that choice threatens their interests, and they will put political pressure on the authorities to oppose it. But for reasons very much like those that apply to the politics of accountability, the unions cannot be totally successful in this effort. And, of course, they haven't been: parents have many more choices today than they did ten years ago, there is a modicum of competition in some districts, and both choice and competition are expanding (especially through the increasing numbers of charter schools). As with today's accountability systems, these choice systems are a pale reflection of what reformers would like to see. But even imperfect choice systems are sources of change (Moe, 2002).

They also have a trump card up their sleeve that couldn't be more important: the changes they set in motion not only generate new incentives--they also undermine the political power of the teachers unions. The more reformers are able to introduce choice and competition, the more difficult life becomes for the unions. They lose members and resources, their organizing task becomes far more challenging, and their basis for political clout begins to erode. Furthermore, they have incentives to use their power in a different way than before. With competition a reality, they know that the higher costs and organizational rigidities they usually impose on schools actually put them at a disadvantage relative to their competitors (nonunion schools of choice), so they have incentives to moderate their demands. Indeed, they know that, in order to keep kids and money--and thus members and resources--they need to think seriously about going along with accountability mechanisms (such as performance pay) that they usually oppose. This, in turn, removes some of the political constraints on the authorities, and gives them greater incentive to opt for accountability systems that might actually work.

If the movement for school accountability is to succeed, therefore, reformers need to break out of the mind-set that equates accountability with top-down methods of control, and recognize that--for political as well as organizational reasons--a combination of top-down and

bottom-up approaches is likely to prove far more potent. Without such a reorientation, the movement cannot hope to make much progress. But with it, the future of reform may be very bright indeed.

References

American Federation of Teachers. 2001. Making Standards Matter (New York: American Federation of Teachers). Available on the web at www.aft.org (as of 3-18-2002)

..... 2002. "AFT on the Issues: Merit Pay." Available on the web at www.aft.org (as of 3-18-2002).

Bendor, Jonathan. 1988. "Formal Models of Bureaucracy: A Review." British Journal of Political Science 18: 353-395.

Berube, Maurice R. 1988. Teacher Politics (New York: Greenwood Press).

Ciglar, Allan J., and Burdett A. Loomis. 2002. Interest Group Politics 6th ed. (Washington, D.C.: CQ Press).

Cizek, Gregory. J. 2001. "Cheating to the Test." Education Next Vol. 1 No. 1 (Spring).

Downs, Anthony. 1957. An Economic Theory of Democracy (New York: Harper and Row)

Education Intelligence Agency. 2001. "Cincinnati's Other Problem," Communique (April 23).

Education Week. 2002. Quality Counts: 2002.

Evers, Williamson M. 2001. "Standards and Accountability." In Terry M. Moe, ed., A Primer on America's Schools (Stanford, CA: Hoover Press).

Finn, Chester E. 2002. "Real Accountability in K-12 Education: The Marriage of Ted and Alice." In Williamson M. Evers and Herbert J. Walberg, eds., School Accountability (Stanford, CA: Hoover Press).

Gibbons, Robert. 1998. "Incentives in Organizations." Journal of Economic Perspectives Vol. 12 No. 4 (Fall): 115-132.

Hanushek, Eric, and Margaret E. Raymond. 2002. "Sorting Out Accountability Systems." In Williamson M. Evers and Herbert J. Walberg, eds., School Accountability (Stanford, CA: Hoover Press).

Hess, Frederick M. 2002. Education Next Vol. 2 No. 1 (Spring).

..... "Reform, Resistance,...Retreat? The Predictable Politics of Accountability in Virginia." In ." Brookings Papers on Education Policy (Washington, D.C.: Brookings Institution).

Hill, Paul T., and Robin J. Lake. 2002. "Standards and Accountability in Washington State." In ." Brookings Papers on Education Policy (Washington, D.C.: Brookings Institution).

Hoxby, Caroline M. 2002. "The Cost of Accountability." In Williamson M. Evers and Herbert J. Walberg, eds., School Accountability (Stanford, CA: Hoover Press).

Izumi, Lance T., and Williamson M. Evers. 2002. "State Accountability Systems." In Williamson M. Evers and Herbert J. Walberg, eds., School Accountability (Stanford, CA: Hoover Press).

Kane, Thomas J., and Douglas O. Staiger. 2002. "Volatility in School Test Scores: Implications for Test-Based Accountability Systems." In Brookings Papers on Education Policy: 2002 (Washington, D.C.: Brookings Institution).

Koretz, Daniel, and Robert L. Linn, S. Dunbar, and L. Shepard. 1991. "The Effects of High-Stakes Testing on Achievement: Preliminary Findings about Generalization across Tests." Annual Meeting of the American Educational Research Association, Chicago, Il.

Kurtz, Michele. 2001. "Testing, Testing: School Accountability in Massachusetts." Working Paper 1, Rappaport Institute for Greater Boston, John F. Kennedy School of Government, Harvard University.

Lazear, Edward P. 1998. Personnel Economics for Managers (New York: Wiley and Sons).

Lieberman, Myron. 1993. Public Education: An Autopsy (Cambridge: Harvard University Press).

..... 1997. The Teacher Unions (New York: Free Press).

Linn, Robert L. "Assessments and Accountability." Educational Researcher Vol. 29 No. 2 (March): 4-15.

Mayhew, David. 1974. Congress: The Electoral Connection (New Haven: Yale University Press).

Moe, Terry M. 1989. "The Politics of Bureaucratic Structure." In John E. Chubb and Paul E. Peterson, eds., Can the Government Govern? (Washington, D.C.: Brookings Institution).

..... 1997. "The Positive Theory of Public Bureaucracy." In Dennis C. Mueller, ed., Perspectives on Public Choice (New York: Cambridge University Press).

..... 2001. "Teachers Unions and the Public Schools." In Terry M. Moe, ed., A Primer on America's Schools (Stanford, CA: Hoover Press).

..... 2002. "The Structure of Choice." In Paul T. Hill, ed., Choice with Equity (Stanford, CA: Hoover Press).

Moo, C. Gregory. 1999. Power Grab (Washington, D.C.: Regnery Publishing).

Mueller, Dennis C. 1989. Public Choice II (New York: Cambridge University Press).

Murphy, Marjorie. 1990. Blackboard Unions: The AFT and the NEA, 1900-1980. (Ithaca: Cornell University Press).

National Education Association. 2002. "NEA 2001-2002 Resolutions." On the web at www.nea.org (as of 3-18-2002).

Pratt, John W., and Richard J. Zeckhauser. 1985. "Principals and Agents: An Overview." In John W. Pratt and Richard J. Zeckhauser, eds., Principals and Agents (Boston: Harvard Business School Press).

Prendergast, Canice. 1999. "The Provision of Incentives in Firms." Journal of Economic Literature Vol. XXXVII (March): 7-63.

Ravitch, Diane. 2000. Left Back: A Century of Failed School Reform. (New York: Simon Shuster).

..... 2002a. "Introduction." Brookings Papers on Education Policy (Washington, D.C.: Brookings Institution).

..... 2002b. "Testing and Accountability, Historically Considered." In Williamson M. Evers and Herbert J. Walberg, eds., School Accountability (Stanford, CA: Hoover Press).

Rudalevige, Andrew C. 2002. "Accountability and Avoidance in the Bush Education Plan: The 'No Child Left Behind Act of 2001." Paper Prepared for the Conference on Taking Account of Accountability, Kennedy School of Government, Harvard University, June 10-11.

Thomas, Clive S., and Ronald J. Hrebnar. 1996. "Interest Groups in the States." In Virginia Gray and Herbert Jacob, eds., Politics in the American States 6th ed. (Washington, D.C.: CQ Press).

Tyack, David. 1974. The One Best System (Cambridge: Harvard University Press).

Walsh, Kate. 2002. "Positive Spin: The Evidence for Teacher Certification." Education Next Vol.2 No. 1 (Spring): 79-84.

Walberg, Herbert J. 2001. "Achievement in American Schools." ." In Terry M. Moe, ed., A Primer on America's Schools (Stanford, CA: Hoover Press).

Weingast, Barry R. 1996. "Political Institutions: Rational Choice Perspectives." In Robert E. Goodin and Hans-Deiter Klingemann, eds., A New Handbook of Political Science (New York: Oxford University Press).

Williamson, Oliver E. 2000. "The New Institutional Economics: Taking Stock, Looking Ahead." Journal of Economic Literature Vol.XXXVIII (September): 595-613.

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

ERIC

REPRODUCTION RELEASE

(Specific Document)

I. DOCUMENT IDENTIFICATION:

Title:	Politics, Control, and the Future of School Accountability. PEPG/02-14 — EA 032 091
Author(s):	Moe, Terry M.
Corporate Source:	Publication Date: June 2002

II. REPRODUCTION RELEASE:

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, *Resources in Education* (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce and disseminate the identified document, please CHECK ONE of the following three options and sign at the bottom of the page.

The sample sticker shown below will be affixed to all Level 1 documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

Level 1 ↑ [X]

Check here for Level 1 release, permitting reproduction and dissemination in microfiche or other ERIC archival media (e.g., electronic) *and* paper copy.

The sample sticker shown below will be affixed to all Level 2A documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE, AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2A

Level 2A ↑ [ ]

Check here for Level 2A release, permitting reproduction and dissemination in microfiche and in electronic media for ERIC archival collection subscribers only

The sample sticker shown below will be affixed to all Level 2B documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

Sample

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

Level 2B ↑ [ ]

Check here for Level 2B release, permitting reproduction and dissemination in microfiche only

Documents will be processed as indicated provided reproduction quality permits.
If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.

I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate this document as indicated above. Reproduction from the ERIC microfiche or electronic media by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Sign here, → please

Signature: [signature]	Printed Name/Position/Title: Terry M. Moe	
Organization/Address: Hoover Institution, Stanford, CA 94305	Telephone: 650-725-8212	FAX:
	E-Mail Address:	Date: 5-6-3

(over)

III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, *or*, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:
Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse:

ERIC Clearinghouse on Educational Management
~~1787 Agate Street~~
5207 University of Oregon
Eugene, OR 97403-5207
Attn: Acquisitions

However, if solicited by the ERIC Facility, or if making an unsolicited contribution to ERIC, return this form (and the document being contributed) to:

ERIC Processing and Reference Facility
4483-A Forbes Boulevard
Lanham, Maryland 20706

Telephone: 301-552-4200
Toll Free: 800-799-3742
FAX: 301-552-4700
e-mail: ericfac@inet.ed.gov
WWW: http://ericfac.piccard.csc.com

EFF-088 (Rev. 2/2000)